

STATE OF HAWAII  
DEPARTMENT OF TAXATION

**REPORT OF BULK SALE OR TRANSFER**  
(Pursuant to section 237-43, Hawaii Revised Statutes (HRS))

Please read the Important Notice and the Definitions on the back before preparing this form in triplicate.

Name of Purchaser \_\_\_\_\_  
Address \_\_\_\_\_  
Hawaii G.E./Use I.D. No. \_\_\_\_\_  
Social Security No. or Federal Employer's I.D. No. \_\_\_\_\_

Name of Seller \_\_\_\_\_  
Address \_\_\_\_\_  
Hawaii G.E./Use I.D. No. \_\_\_\_\_  
Social Security No. or Federal Employer's I.D. No. \_\_\_\_\_  
Name of Parent Corp. (If applicable) \_\_\_\_\_  
Parent Corp.'s Federal Employer's I.D. No. \_\_\_\_\_

Description and Value of Property Sold or Transferred as listed below:

Inventory of Stock in Trade (Taxable at  $\frac{1}{2}$  of 1%).....  
Furniture and Fixtures.....  
Machinery and Equipment.....  
Land and Buildings.....  
Goodwill, Covenants Not To Compete, and Other Intangibles (See Instructions).....  
Other Assets (Please describe) \_\_\_\_\_

**TOTAL** .....

Purchase Price

\$	
\$	

Date of Sale .....

Date of Filing Report .....

Please answer the following questions:

- Does this transaction close the income year of the seller? (If yes, net income tax returns for the year being closed must be filed and any tax due must be paid by the due date of the return.).....
- Did the seller ever receive any property in a transaction for which a report under section 237-43, HRS, was required but was not filed? If yes, attach a statement fully describing the transaction(s) and the property involved. ....
- Was a tax clearance certificate issued to the seller? If yes, date issued .....
- Are the seller and purchaser affiliated companies or persons within the meaning of section 237-19, HRS, or is the sale or transfer made under other circumstances where the relation between the the seller and purchaser is such that the consideration paid, if any, is not indicative of the true value of the property sold or transferred? .....  
If yes, please describe how the purchase price was determined. \_\_\_\_\_

YES NO


The undersigned declares, under the penalties set forth in section 231-36, HRS, that this is a true, correct and complete statement of facts.

Signature of Purchaser, if this report is made by him/her.

Signature of Seller

Type or Print Name of Purchaser

Type or Print Name of Seller

**File the White and Yellow Copies with the Department of Taxation and retain the Pink Copy for your files.**

Address of where to mail copy of Report of Bulk Sale or Transfer (and/or other correspondence) .....

**CERTIFICATE OF DIRECTOR OF TAXATION**

This is to certify that the Report of Bulk Sale or Transfer required by section 237-43, HRS, has been filed, as shown above, and that all taxes, penalties and interest due on the date of this certificate have been paid.

This certificate shall be voidable by the Department of Taxation if any material misrepresentation has been made in this report.

DIRECTOR OF TAXATION

Date of Certificate:

By: \_\_\_\_\_

## IMPORTANT NOTICE

This report of bulk sale or transfer must be made by the seller not later than ten days after the possession, or the control, or the title of the property, or any part thereof, has passed to the purchaser. The purchaser may make this report for the seller. The purchaser of such property shall withhold payment of the purchase price until the receipt of a certificate from the Director of Taxation to the effect that all taxes, penalties and interest levied or accrued under title 14, HRS, for taxes administered by the Department of Taxation against the seller or constituting a lien upon such property have been paid. If this report of bulk sale or transfer is not made, or if the taxes, penalties and interest are not paid within twenty days after the sale or transfer or within such further time as the Department may allow, the purchaser shall be personally liable to pay the State the amount of all taxes, penalties and interest levied or accrued under title 14, HRS, for taxes administered by the Department of Taxation against the seller or constituting a lien upon such property, together with penalties and interest thereafter accruing, not exceeding, however, the amount of the purchase price.

Sale of inventory in a bulk sale or transfer is taxable at the rate of  $\frac{1}{2}$  of 1%. The tax due must be reported on Form G-45 and paid with this report.

Sale of covenants not to compete in a bulk sale or transfer are taxable at the rate of 4%. The tax due must be reported and paid on Form G-45. Sale of goodwill is not subject to the General Excise Tax.

For additional information, please refer to Tax Information Releases 91-10 and 95-2.

## **DEFINITIONS**

**"Property"** means anything that may be the subject of ownership, including every kind of asset, whether real or personal, tangible or intangible, and without limitation, such as land and buildings, goodwill, notes, accounts, and other intangible property. The term "property" shall not include any interest in residential real property.

**"Purchaser"** means any person who receives property in a bulk sale or transfer, whether or not money or property is exchanged therefor.

**"Purchase price"** means the total fair market value, as of the date of sale or transfer, of all property transferred, whether or not money or property is exchanged therefor.

**"Sale"** means the transfer of property for compensation.

**"Seller"** means any person who sells or transfers any property in bulk sale or transfer, whether or not money or property is exchanged therefor.

**"Transfer"** means the sale, conveyance, or distribution by any mode, direct or indirect, absolute or conditional, voluntary or involuntary, or title to or beneficial ownership in property, or interest therein.